

**CORRECTIONS DEPARTMENT[201]**

**Adopted and Filed**

**Rule making related to Iowa state industries**

The Corrections Department hereby amends Chapter 37, “Iowa State Industries,” Iowa Administrative Code.

*Legal Authority for Rule Making*

This rule making is adopted under the authority provided in Iowa Code section 904.804.

*State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code section 904.815.

*Purpose and Summary*

This rule making removes the language that allows Iowa State Industries to sell products to employees of nonprofit organizations and to provide limited public sales when the sales to political subdivisions are insufficient to justify continued operation of a shop. This language is inconsistent with statute.

*Public Comment and Changes to Rule Making*

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on February 22, 2023, as **ARC 6915C**.

One written comment was received, and one change from the Notice has been made. The change was the addition of a requirement that sales to a general contractor above \$50,000 be approved by the Iowa Prison Industries Advisory Board.

*Adoption of Rule Making*

This rule making was adopted by the Department on March 31, 2023.

*Fiscal Impact*

This rule making has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rule making, no impact on jobs has been found.

*Waivers*

Pursuant to the provisions of the statute, the Department does not have authority to waive requirements established by statute.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).



*Effective Date*

This rule making will become effective on June 7, 2023.

The following rule-making action is adopted:

Amend rule 201—37.2(904) as follows:

**201—37.2(904) Sale of products.**

**37.2(1)** Iowa state industries shall sell products to any tax-supported institution or governmental subdivision in any level of government, including state, county, city or school. Iowa state industries may sell products to employees of such entities.

**37.2(2)** Iowa state industries may sell products to nonprofit organizations such as parochial schools, churches, or fraternal organizations ~~and employees of such nonprofit organizations.~~

**37.2(3)** Iowa state industries may sell products to nonprofit health care facilities serving Medicaid or social security patients.

~~**37.2(4)** Sales will not generally be solicited from the general public. However, the state director of Iowa state industries may determine with the advice of the prison industries advisory board that limited public sales will be made when the sales to political subdivisions are insufficient to justify continued operation of a shop.~~

**37.2(5) 37.2(4)** Iowa state industries may sell products to a general contractor when the products purchased will be sold to a public entity as provided in subrules 37.2(1) to 37.2(3). The public entity shall submit a written request to Iowa state industries specifying the products and quantities to be purchased. Such sales shall be limited to contractors involved in construction, renovation, and remodeling projects. Sales to a general contractor above \$50,000 shall be approved by the Iowa prison industries advisory board.

This rule is intended to implement Iowa Code section 904.815.

[Filed 4/11/23, effective 6/7/23]

[Published 5/3/23]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 5/3/23.